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Eighteenth executive session
Geneva, 10 July 1998
Item 1 of the provisional agenda

ADOPTION OF THE AGENDA

Provisional agenda and annotations

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I. Provisional agenda

1. Adoption of the agenda

2. Mid-term review

3. UNCTAD's contribution to the UN-NADAF: UNCTAD's activities in favour of Africa (agreed conclusions 443 (XLIV))

4. Institutional, organizational, administrative and related matters:

   (a) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board

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   (c) Designation of the President and Bureau of the forty-fifth session of the Trade and Development Board

5. Report by the President of the Trade and Development Board on his informal consultations on:

   (a) Guidelines and modalities for funds from savings resulting from improved overall cost-effectiveness for financing of experts

   (b) Operational modalities of the Trust Fund to enhance participation of developing countries' experts in UNCTAD meetings

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II. ANNOTATIONS TO THE PROVISIONAL AGENDA

Item 1 Adoption of the agenda

The Board may wish to adopt the provisional agenda in section I above, as approved by the Bureau and Coordinators.

Documentation

TD/B/EX(18)/1 Provisional agenda and annotations

Item 2 Mid-term review

The Midrand Declaration states: "*to build on the political commitment of member States to the process initiated at this Conference and ensure its implementation, the President of UNCTAD IX should consider convening a special high-level review meeting two years prior to UNCTAD X*". The General Assembly, in paragraph 2 of its resolution 52/182 on international trade and development, welcomed the convening of a special high-level mid-term review meeting in 1998 which would contribute to the preparations of the tenth session of the Conference, to be held in Thailand in the year 2000.

At its sixteenth executive session, the Board launched the mid-term review process. In so doing, it agreed that Ambassador Benjelloun-Touimi (Morocco), Vice-President of the Board, would conduct the informal and formal work of the review and report the outcome to the executive session of the Board on 10 July 1998. The purpose of the review would be to determine to what extent the mandate established at Midrand in terms of work programmes and institutional reforms had been implemented; to identify what remained to be completed before UNCTAD X, including any adjustment that would need to be made to fulfil commitments made at Midrand; and to make recommendations on the work programme and agendas for the Board, the Commissions and expert meetings in the period leading to UNCTAD X. Ambassador Benjelloun will present the outcome of the informal and formal process of the Mid-term Review to the eighteenth executive session under this item.

In response to the General Assembly request that the process lead to a High-Level Meeting contributing to UNCTAD X, the provisional agenda for the forty-fifth session of the Trade and Development Board includes an item on this (Item 3: High-level Mid-term Revew).

Documentation

In-session documentation

Item 3 UNCTAD's contribution to the UN-NADAF: UNCTAD's activities in favour of Africa (agreed conclusions 443 (XLIV))

The Trade and Development Board, at its forty-fourth session, in its agreed conclusions 443 (XLIV), invited the Secretary-General of UNCTAD to report to an executive session of the Board on activities undertaken by UNCTAD in favour of Africa. The report of the Secretary-General, contained in document TD/B/EX(18)/2, provides a perspective on the general thrust of research and analysis being undertaken by UNCTAD in its consideration of the development problematique in Africa, as well as a summary description of specific activities, including technical cooperation activities, in each sector. The report is also designed to provide information on how the secretariat of UNCTAD is responding to Board agreed conclusions 443 (XLIV).

Documentation

TD/B/EX(18)/2	UNCTAD's contribution to the implementation of the United Nations New Agenda for Africa in the 1990s: activities undertaken by UNCTAD in favour of Africa - Report by the Secretary-General of UNCTAD

Item 4 Institutional, organizational, administrative and related matters:

(a) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board

A list of the 105 intergovernmental organizations in status with UNCTAD is contained in TD/B/IGO LIST/2. The Board will be invited to consider an application received from the African Export Import Bank (TD/B/EX(18)/R.3).

Documentation

TD/B/IGO/LIST/2	List of IGOs in status with UNCTAD
TD/B/EX(18)/R.3	Application by the African Export Import Bank

(b) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

At present, there are 177 NGOs in status with UNCTAD, 95 in the General Category and 82 in the Special Category. A list of these is contained in TD/B/NGO/LIST/2 and Add.1. At its eighteenth executive session, the Board will be invited to consider an application from the Transnational Institute (TNI) (TD/B/EX(18)/R.2).

Documentation

TD/B/NGO/LIST/2 and Add.1	List of NGOs in status with UNCTAD
TD/B/EX(18)/R.2	Application by the Transnational Institute (TNI)

Inclusion of a national NGO in the Register in conformity with Board decision 43 (VII)

The Board will be informed that, following consultations with the member State concerned (Russian Federation), the Secretary-General of UNCTAD has included the Association of Financial and Industrial Groups of Russia in the Register of national non-governmental organizations provided for under Board decision 43 (VII).

Documentation

TD/B/EX(18)/L.1	Inclusion of a national non-governmental organization in the Register in conformity with decision 43 (VII) of the Trade and Development Board: Note by the UNCTAD secretariat

(c) Designation of the President and Bureau of the forty-fifth session of the Trade and Development Board

In accordance with rules 18 and 19 of the rules of procedure, the Bureau of the Board shall consist of 12 members (the President, 10 Vice-Presidents and the Rapporteur), i.e. 4 members from List A (Africa/Asia), 4 from List B, 2 from List C and 2 from List D referred to in the annex to General Assembly resolution 1995 (XIX), as amended.

In accordance with the cycle of rotation, the President of the forty-fifth session of the Board shall be a representative of one of the States members in List A (Asia) and the Rapporteur a representative of one of the States in List B. The 10 Vice-Presidents shall therefore be as follows: 3 from List A (Africa/Asia); 3 from List B; 2 from List C; and 2 from List D. In addition to the above, the Board will be required to elect the Chairmen of Sessional Committees I and II.

Item 5 Report by the President of the Trade and Development Board on his informal consultations on:

(a) Guidelines and modalities for funds from savings resulting from improved overall cost-effectiveness for financing of experts

Paragraph 13 of the Report of the Secretary-General on "Analysis of Savings resulting from the improved overall cost effectiveness achieved pursuant to the ninth session of UNCTAD (A/52/898) refers to the agreement reached by the members of the Working Party on the Medium-term Plan and Programme Budget, which met from 2 to 4 May 1998, that in partial implementation of paragraph 114 of "A Partnership for Growth and Development", it is proposed to utilize part of the new resources, amounting to $1,088,000, to enhance the expertise of the deliberations of the expert meetings of the Commissions. The Working Party recommended that the President of the Board "undertake informal consultations, with the involvement of the Secretary-General of UNCTAD and to be completed by 3 July 1998, on the establishment of guidelines and modalities, to be endorsed by the Board at its eighteenth executive session, for the distribution of the relevant funds".

Documentation

Oral report by the President of the Board

(b) Operational modalities of the Trust Fund to enhance participation of developing countries' experts in UNCTAD meetings

At its seventeenth executive session, the Trade and Development Board decided (decision 450(EX-17) informal consultations under the authority of the President of the Board should be held on the operational modalities of the trust fund to enhance participation of developing countries' experts in UNCTAD meetings in accordance with paragraph 114 of "A Partnership for Growth and Development", with a view to enabling the Secretary-General of UNCTAD to modify the operational modalities of the trust fund to include *inter alia* two windows, one for earmarked and one for non-earmarked contributions.

By the same decision, the President of the Trade and Development Board was requested to complete these informal consultations by 3 July 1998 so that the operational modalities can be endorsed by the Trade and Development Board at its eighteenth executive session.

Documentation

Oral report by the President of the Board

Item 6 Other business

Item 7 Report of the Board on its eighteenth session

The report of the Board will be completed under the authority of the Rapporteur. Pending the final report, a synoptic record of the proceedings of the session will be issued in advance.

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ADOPTION OF THE AGENDA

Provisional agenda and annotations

Corrigendum *

Item 6 Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirty first session

At its thirty first session (27 April - 1 May 1998), the Joint Advisory Group on the International Trade Centre UNCTAD/WTO reviewed ITC's technical cooperation activities in 1997; endorsed a new strategy for the product and market development core service; unanimously supported the reform of ITC undertaken by its Executive Director; and took note of the report of the Consultative Committee on the ITC Global Trust Fund.

Documentation

ITC/AG/(XXXI)/171	Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirty-first session

* Further to the decision taken at the consultations of the President and Bureau of the Board on 23 June 1998, a new agenda item 6 is to be included in the provisional agenda. Accordingly, the original items 6 and 7 will now become items 7 and 8.

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UNCTAD'S CONTRIBUTION TO THE IMPLEMENTATION OF THE UNITED NATIONS NEW AGENDA FOR AFRICA IN THE 1990s: ACTIVITIES UNDERTAKEN BY UNCTAD IN FAVOUR OF AFRICA

Report by the Secretary-General of UNCTAD

GE.98-50563

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INTRODUCTION

1. It is recalled that the Trade and Development Board, at its fifteenth executive session, considered the "Report of the Secretary-General of UNCTAD on the implementation of the proposals contained in Board agreed conclusions 436 (XLIII): Development in Africa". Further, at its forty-fourth regular session, the Board adopted agreed conclusions 443 (XLIV), which provide fresh orientations to the work of UNCTAD with regard to Africa, and invited the Secretary-General of UNCTAD to report to an executive session of the Board on activities undertaken by UNCTAD in favour of Africa.

2. Based on past experience and the discussions which took place at the fifteenth executive session of the Board, the present report provides a perspective on the general thrust of research and analysis being undertaken by UNCTAD in its consideration of the development problematique in Africa, as well as a summary description of specific activities, including technical cooperation activities, in each sector. The report should be seen as complementing and updating the information on specific activities contained in document TD/B/EX(15)/2. It is also designed to provide information on how the secretariat is responding to Board agreed conclusions 443 (XLIV).

POLICY RESEARCH AND ANALYSIS

3. It is recalled that the Board, at its forty-third session, in agreed conclusions 434 (XLIII) on interdependence and global economic issues, requested the Secretary-General of UNCTAD to formulate lessons from the East Asian developmental experience which might be considered by African countries. Since the forty-third session of the Board, the secretariat has engaged in a major research project financed by the Government of Japan to draw lessons from the East Asian experience and to consider its applicability in the African context. A preliminary meeting with the participation of experts was held in Harare from 13 to 14 January 1997 at which the areas for study and analysis were identified. A subsequent meeting was held in Mauritius from 4 to 5 December 1997 with the participation of experts and government representatives in which the preliminary findings of 12 specially commissioned papers were examined. The secretariat is finalizing these papers in consultation with the experts and is organizing a conference hosted by the Government of Mauritius in September 1998, with the participation of representatives from all African countries and experts in order to discuss the findings thereof. Broadly speaking, the papers cover the following issues: capital accumulation; agriculture, trade and industrialization; institutional matters related to technological development; and regional dynamics. The *Trade and Development Report 1998* will devote a major section to Africa, drawing on this research as well as other research undertaken in UNCTAD.

4. Delegations will be apprised at the forty-fifth session of the Trade and Development Board of the results of the research and analysis and recommendations arising therefrom in considering item 6 of the provisional agenda on "UNCTAD's contribution to the implementation of the UN-NADAF: Prospects for agriculture, trade and industrialization".

5. It is also recalled that the secretariat prepared an analytical document on performance prospects and policy issues for African economies in the context

of the Board's consideration of the item on Africa at its forty-fourth session (TD/B/44/12). The findings and recommendations of that study were by and large endorsed by the Board in its agreed conclusions 443 (XLIV).

6. Research and analysis related to Africa is also a major thrust of *The Least Developed Countries 1998 Report*, which will review different aspects of the multilateral trading system and how they affect opportunities and constraints for least developed countries (LDCs), including the 33 African LDCs, to enhance their participation in the world economy. As these countries try to diversify their economies and integrate more fully in the world economy, certain issues related to the trading system will grow in importance. Opportunities and policy options available to LDCs will be considered in this context.

SECTORAL ISSUES

A. International trade

1. The UNCTAD/WTO/ITC integrated programme of technical cooperation

7. The objective of the joint UNCTAD/WTO/ITC Integrated Technical Assistance Programme for Least Developed and Other African Countries is to provide: (i) assistance for human resources development and institutional building with particular attention to the implementation of the Uruguay Round Agreements; and (ii) supportive measures to strengthen export supply capabilities, taking into account the challenges and new market opportunities created by the Uruguay Round. Joint activities between the three organizations have continued and are bearing fruit.

8. The Programme covers the following countries: Benin, Burkina Faso, Côte d'Ivoire, Ghana, Kenya, Tunisia, Uganda, and the United Republic of Tanzania. Complete project documents have been prepared and approved by both beneficiaries and donors (in one country - Tunisia - project implementation is already under way). The training of trainers for activities in the four English-speaking countries was completed in December 1997 and will shortly get under way in the French-speaking countries.

9. An inter-institutional agreement setting out the details of how the three agencies will cooperate in the Programme has been agreed and signed by the executive heads of the organizations concerned, thus putting into place the requirements for a truly joint exercise. Both UNCTAD and ITC have assigned a senior staff member to work full-time on the implementation of the Programme and other staff to work on the Programme on a part-time basis. Informal discussions are currently under way on the extension of the Programme to cover other African countries. It is expected that these will be primarily, although not exclusively, LDCs.

Funding

10. In order to implement the Programme, WTO, UNCTAD and ITC launched a Common Trust Fund for technical assistance to Africa in the trade sector on 1 March 1998. The Fund is aiming to attract a total of around US$ 10 million to cover programme requirements for the seven sub-Saharan partner countries, and will consist of two windows. *Window I* is for unearmarked contributions, which will be used to finance national needs assessments, project development and

advisory missions, activities for the collective benefit of participating countries, and complementary or full financing of country projects. *Window II*, for earmarked contributions, will be allocated to specific country projects. Managed by ITC, the Fund will be guided by a steering group consisting of donors, beneficiary countries and the secretariats of ITC, WTO and UNCTAD.

11. To date, the Governments of the following countries have indicated an intention to contribute to the Fund: Denmark, Finland, France, Germany, Japan, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom.

12. The objectives of the Fund are: to develop national capacity to address the WTO agreements; to strengthen trade and export policy and negotiating capabilities; to improve institutional mechanisms to carry out the WTO agreements; to develop a supply-side response to opportunities in a multilateral trading system; and to improve access to export business services and performance tools.

2. The High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, October 1997

13. The High-level Meeting was convened in Geneva from 27 to 28 October 1997. The report of the Meeting is contained in document WT/COMTD/12, issued by WTO on 12 November 1997. The Meeting covered issues related to market access and the Integrated Framework for Trade-Related Technical Assistance, including for Human and Institutional Capacity-Building, to Support Least-Developed Countries in Their Trade and Trade-Related Activities; country round tables and thematic round tables were held. The High-level Meeting endorsed the above-mentioned Integrated Framework for Trade-Related Technical Assistance.

Country round tables

14. An important feature of the High-level Meeting was the convening of 12 round-table meetings. Presentations by the LDCs concerned covered each country's needs for trade-related technical assistance and an integrated response to these needs by UNCTAD, WTO, ITC, the United Nations Development Programme (UNDP), the World Bank and the International Monetary Fund (IMF).

Thematic round tables

15. UNCTAD played a leading role in the preparations for the two thematic round tables on "Building the capacity to trade in LDCs" and "Encouraging investment in LDCs". The main background documents for the round tables were prepared by UNCTAD and ITC.

Follow-up

16. Since the Meeting, the governing bodies of UNCTAD, UNDP, IMF and the World Bank have endorsed or taken note of the outcome of the meeting; needs assessment exercises have been carried out in several African LDCs; and meetings held of the inter-agency coordination mechanisms. An administrative unit is being established in ITC to coordinate the implementation of the Integrated Framework, for Trade-Related Technical Assistance.

3. UNDP/UNCTAD technical assistance for Africa

Fifth UNDP Intercountry Programme for Capacity Building in Trade and Development in Africa (RAF/96/001)

17. The Programme focuses on four broad capacity-building objectives:

(i) Strengthening human resources in regional and multilateral trade rules;

(ii) Strengthening the capacity of national Governments, intergovernmental organizations, business and civil society in Africa to formulate and articulate trade and investment strategies that can promote export-led development;

(iii) Strengthening the enabling institutions and systems that enhance the capacity of African business to trade; and

(iv) Strengthening the capacity of African firms to access enabling and support services that can increase their capacity to trade.

18. In this project, which is being carried out by United Nations Office for Project Services, UNCTAD is closely cooperating with ITC and the World Intellectual Property Organization (WIPO) as well as with non-governmental organizations. UNCTAD is mainly involved in implementing activities under (i) and (ii); ITC is mainly involved in implementing activities in (i), (iii) and (iv); while WIPO will be implementing activities related to intellectual property rights in (i), (ii) and (iii).

4. New issues and the multilateral trading system

19. New issues on the international trade agenda will be analysed by UNCTAD from a developmental perspective. There are pressures for broader multilateral frameworks for the coordination or harmonization of national policies in new areas and the establishment of new multilateral rules. For developing countries, it will be important to adopt an active, forward-looking approach. Trade and investment and trade and competition policy are immediate concerns. The Singapore Ministerial Conference made these issues the topic of two WTO working groups, attributing a specific role to UNCTAD in paragraph 20 of the Declaration agreed at the Conference. In the specific case of Africa, drawing on its previous experience with the Uruguay Round and multilateral trade negotiations, UNCTAD would be extending similar support in pre- and post-negotiation processes within WTO. The assistance provided by UNCTAD, comprising substantive analytical advice to delegations participating in WTO working groups, would be undertaken in the context of the proposed UNDP regional programme for Africa relating to capacity- building in trade and investment. Advice would include recommendations on strategies or proposals taking into account the developmental interests of African countries, and on the development of a positive agenda of their own. Advice would cover the impact of the various proposals on existing multilateral instruments such as the General Agreement on Trade in Services (GATS) and trade-related investment measures (TRIMs), and the interests of developing countries within these instruments. The basic objective would be to gain a clear idea of the impact on trade and development of certain courses of action, particularly in relation to new issues and specific problems that may arise in the preparatory

process in the context if the WTO working groups and the preparatory process leading up to the 1998 Ministerial Conference.

20. In addition to the above UNDP inter-country programme, at the request of the Organization of African Unity (OAU) secretariat, UNCTAD is currently working jointly with the OAU/African Economic Community (AEC) secretariat and UNDP in setting up an institutional negotiating mechanism to support African Governments in the ongoing and future WTO trade negotiations.

21. UNCTAD co-sponsored, in collaboration with the International South Group Network (ISGN), a non-governmental organization based in Harare, in April/May 1998, a workshop on the Second WTO Ministerial Meeting on issues relevant to the review of the Lomé IV Convention due to start later in 1998. Senior officials from 21 countries in the southern and eastern African region participated in the workshop. UNCTAD provided substantive, organizational and financial support to the workshop. The recommendations of the workshop were forwarded to the OAU Ministers of Trade Meeting which took place from 6 to 9 April 1998 in Harare. This meeting was sponsored by UNCTAD, UNDP and the OAU to consider in greater detail issues relevant to the African continent within the context of the Second WTO Ministerial Meeting due to take place in May 1998.

22. Work on assistance to countries seeking accession to WTO is continuing; such assistance is being provided to Algeria and the Sudan. Assistance is also being provided on studies related to the country-specific impact of the Uruguay Round agreements on national economies and the policies required to take advantage of the opportunities and cope with the challenges arising therefrom; such assistance is being provided to Ghana, Malawi and Namibia among others. UNCTAD has also cooperated with the OAU and Arab League secretariats in the organization of an inter-regional economic cooperation forum.

23. With regard to commodities, assistance is focused on risk management issues, primarily in Uganda, the United Republic of Tanzania, Zimbabwe and South Africa. After the Expert Meeting on Vertical Diversification in the Food Processing Sector in Developing Countries, it is hoped to extend such assistance to diversification issues.

24. UNCTAD, together with the Government of Côte d'Ivoire, organized a conference on modern trade and financing tools for the oil sector, in Abidjan from 21 to 24 April 1998. This conference brought together key players in the oil sector from most African companies, all major international and regional banks involved in oil financing, and senior representatives of the large international oil companies.

5. UNCTAD-wide Integrated Country Programmes for Developing Supply Capacity of Tradeable Goods and Services for LDCs

25. Within the context of the above activity, framework integrated country programmes (ICPs) have been prepared for four African LDCs, namely, Ethiopia, the Gambia, Madagascar and the Sudan. Implementation of some of the activities has been initiated. Work is now under way to prepare, by fielding programming missions, finalized ICPs and their supporting technical cooperation programmes.

6. TRAINFORTRADE

26. The TRAINFORTRADE Programme has the objective of strengthening training capacities of developing countries in the field of international trade and trade-related services. African countries have benefited from activities carried out in 1997/1998 as follows:

(a) Training of trainers in the field of trade: a group of 12 trade specialists from Benin, Côte d'Ivoire and Senegal took part in a workshop organized in Turin, Italy, from 17 to 28 February 1997.

(b) Training in the field of international commercial policy and diplomacy: 18 representatives from Burkina Faso, Ethiopia, Ghana, Nigeria, Senegal and Zimbabwe participated in two workshops held in April 1997 and January 1998 in Geneva.

27. In addition, TRAINFORTRADE contributed to the preparation of a comprehensive programme of activities for the development of training institutions in African countries, to be implemented through UNDP project RAF/96/001.

B. Services development

1. CAPAS

28. The Coordinated African Programme of Assistance on Services (CAPAS), programme which focuses on building policy-making capacity in Africa in the area of services, is being extended from the 10 countries currently benefiting from the Programme to nine more African countries (Burkina Faso, Cameroon, Côte d'Ivoire, Djibouti, Lesotho, Namibia, Swaziland and Zambia). Starting in 1998, a two-year region-wide effort will be launched to prepare African Governments for the new round of negotiations on trade in services due to start in the year 2000 under the auspices of WTO.

2. The Trade Point Programme

29. The Trade Point Programme in Africa is being given high priority. Efforts have been stepped up to strengthen existing trade points, and ensure that they attain operational status as soon as possible. UNCTAD has increased its efforts to help trade points to seek financial assistance for the development of their activities.

(a) French-speaking and Portuguese-speaking countries

30. Trade points have been set up in the following countries: Algeria, Benin, Burkina Faso, Cameroon, Cape Verde, Côte d'Ivoire, Gabon, the Gambia and Ghana[1], Guinea-Bissau, Mali, Mauritania, Morocco, Mozambique, Sao Tome and Principe, and Senegal. Government requests have been submitted by Angola, Chad, Djibouti, Madagascar and Togo.

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[1] English-speaking Gambia and Ghana are included in the Trade Point ECOWAS project and have therefore been grouped together with the French-speaking and Portuguese-speaking countries of Africa.

31. In May 1996, a major announcement was made by Jacques Santer, President of the European Commission, to the effect that the European Union would be granting 10 million ECU for the establishment of trade points in the Economic Community of West African States (ECOWAS). However, implementation of the project financed by the grant remains subject to further discussions, prompted by the Commission.

32. In 1997, the main event for the French-speaking and Portuguese-speaking countries in Africa was the creation of a regional trade point forum. The Government of Senegal hosted the first meeting in Dakar in July 1997. The main objective of this forum is to strengthen the Trade Point Network in the area through regional cooperation and mutual assistance in order to increase commercial exchanges among its participants.

33. Many trade points have posted their own homepage on the GTPNet Internet Incubator, including those in Côte d'Ivoire, Gabon, Cape Verde, Senegal and Mauritania.

(b) English-speaking Africa

34. Fourteen English-speaking countries have now officially joined the Trade Point Programme, namely, Botswana, Eritrea, Ethiopia, Kenya, Lesotho, Malawi, Mauritius, Namibia, South Africa, Uganda, the United Republic of Tanzania, Zambia and Zimbabwe.

35. Trade Point Harare (Zimbabwe) is now fully operational. It is located at ZimTrade, Zimbabwe's national trade development organization, and is one of the few trade bodies in the world to have been accredited as an ISO 9002 service provider. Trade Point Harare has its own server and mirror site and helps local businesses to develop their web pages for advertising their products on the Internet. It is also increasingly engaging in "trade matching", i.e. linking foreign product and service requests with corresponding suppliers in Zimbabwe.

36. In South Africa, the Department of Trade and Industry has formed a task team to determine how to develop the trade point concept throughout the country. The focal point for the trade point has been moved to the Department's Export Promotion Directorate.

37. Among the trade points at an advanced stage of development are those in Lusaka (Zambia), Nairobi (Kenya), Addis Ababa (Ethiopia), Gaborone (Botswana) and Kampala (Uganda). All five are in the process of creating their trade point associations and should be operational within the next few months.

38. An important regional meeting of eastern and southern African trade points was held in Harare, Zimbabwe, from 14 to 15 July 1997. The meeting was attended by the representatives of 10 countries (Botswana, Kenya, Lesotho, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Zambia and Zimbabwe). One of the main outcomes of the meeting was the decision to create a forum of eastern and southern African trade points, which would be open to all trade points in the region. While the draft statutes of the forum were being finalized, an interim committee comprising Kenya, Mozambique, Zambia and Zimbabwe was created.

3. ASYCUDA

39. The Automated System for Customs Data (ASYCUDA) is currently installed in 26 African countries, namely Benin, Burkina Faso, Burundi, Cape Verde, the

Central African Republic, Comoros, the Democratic Republic of the Congo, Ethiopia, the Gambia, Ghana, Guinea, Guinea-Bissau, Madagascar, Mali, Mauritania, Mauritius, Namibia, the Niger, Rwanda, Sao Tomé and Principe, the Sudan, the United Republic of Tanzania, Togo, Uganda, Zambia and Zimbabwe.

40. Three new ASYCUDA projects were implemented successfully in 1997 (in Namibia, the United Republic of Tanzania and Uganda), and a new project commenced in Zambia. The ASYCUDA system has now been installed or formally requested by 18 member States of the Common Market for Eastern and Southern Africa (COMESA). The system is currently installed in Burundi, the Comoros, Madagascar, Mauritius, Rwanda, the Sudan, Zimbabwe and the Democratic Republic of the Congo. Formal requests for ASYCUDA have been received from Lesotho, Malawi and Swaziland. The Comoros, Madagascar and Zimbabwe have in principle agreed to commence with the formalities of migration to version 3.

41. The work of the COMESA ASYCUDA-Eurotrace Regional Centre, funded by the European Union was recently evaluated. The evaluation report was favourable and recommended that a follow-up regional project should be formulated and presented to the European Union for funding. As this will take time to prepare and be agreed upon, proposals have been made for a bridging project to carry on the project's activities for a further year until the new project starts.

42. A new ECOWAS ASYCUDA project has been prepared and is currently under discussion between the European Commission, the ECOWAS secretariat, the West African Economic and Monetary Union (UEMOA) and UNCTAD. The objective of the project is to install or migrate to version 3 in the 16 countries of the region. The project is scheduled to start in 1998.

4. TRAINMAR: Strategy for Africa 1998

43. The Training for the Maritime Industry (TRAINMAR) programme is concerned with training in the field of maritime management, to enable countries to benefit from training of a professional standard conducted locally, and structured cooperation in training development and delivery. These objectives are shared by the TRAINMAR network, with members in some 50 countries. With the new directions given to the secretariat since 1996, the programme has gradually widened the focus from simply the maritime sector to cover all parties engaged in maritime trade.

44. UNCTAD has given special attention to Africa by assigning a staff member to promote TRAINMAR activities on the continent. They involve developing capacity in countries of the region, developing cooperation among them, and mobilizing support from outside the region. So far, 16 countries have had access to TRAINMAR competence, and have developed closer links with TRAINMAR centres in all subregions; the level of cooperation among countries has been increased and the nature of services available through the TRAINMAR links broadened.

45. Four subregional networks have been established, based on language considerations:

- North Africa, for French-language training centres;
- West and Central Africa, for French-language training centres;
- Other countries for Portuguese-language training centres;
- Other countries for English-language training centres.

Although North Africa has a well-established network, it is currently facing a number of obstacles to cooperation, which are only being addressed through local initiatives.

46. The backbone of cooperation in West and Central Africa is formed by institutes in Benin and Senegal. Each is being offered support to reinforce its activities. Gabon and Mauritania have shown strong interest and are being assisted. Other countries are being invited to benefit from TRAINMAR through access to services provided through existing centres in the region or from outside. In particular, several countries have participated in activities conducted in the Canary Islands with support from Spain. Three countries (Burkina Faso, the Niger and Togo) are being invited to benefit from cooperation with Benin in a regional transport facilitation project that has attracted support from a trade association in Europe (the Liaison Committee for the Promotion of Tropical Fruits and Off-Season Vegetables Exported from African, Caribbean and Pacific States - COLEACP).

47. Institutions in Angola and Mozambique, with Portuguese as their main language, have been assisted recently in implementing the TRAINMAR approach, with the support of a project funded by the European Union. Cape Verde, Guinea-Bissau and the Gambia are now being helped to prepare a project, also with European Union funding, to join TRAINMAR in a programme of cooperation with Senegal and Mauritania. Other countries which have also been helped to plan the establishment of training centres include Nigeria, Mauritius, Madagascar, South Africa, Djibouti and Somalia.

48. With regard to West and Central Africa, a programme to improve human resources development in ports is under way. This programme will require intense action in Benin, Gabon and Senegal, which are jointly financing a project that is also supported by Belgium. The countries mentioned above have also cooperated with Angola. The regional project to strengthen training capacity in Angola and Mozambique has been completed and has helped establish cooperation between them.

49. With regard to anglophone cooperation, UNCTAD and the Government of South Africa have discussed possible regional cooperation that makes use of commercial and technical skills in maritime transport and trade supporting services. Initially, cooperation would take place within southern Africa, but the focus would then shift to providing wider support in training centres using the English language throughout Africa, and eventually in all centres. The potential for funding is being examined.

Support from outside the region

50. Cooperation agreements have been signed between the secretariat and two European countries (Belgium and Portugal) for support that will assist African countries to link with TRAINMAR and apply the principles of human resources development to the management of maritime trade services. At the moment two associate experts have been nominated to serve in West Africa.

C. Debt, debt management and financial flows

1. Paris Club

51. UNCTAD, as requested by the Board, continues to participate as an observer in meetings of the Paris Club, and provides support to debtor countries upon request. Its activities have ranged from providing information on developments in the proceedings and practices of the Paris Club, to offering advice and technical support in the preparation of meetings, including financial simulations. In the recent past, African debtor countries in particular have availed themselves of such support.

52. In 1997, a total of seven countries turned to the Paris Club for the restructuring of their official bilateral debts. Five of them were from sub-Saharan Africa, namely, Ethiopia, the United Republic of Tanzania, Guinea, Madagascar and Cameroon. Côte d'Ivoire obtained a restructuring of its Paris Club debts on Lyons terms in April 1998. However, there is less interest in debt-restructuring agreements than there was earlier in the 1990s. This can be attributed to the improved economic performance of a number of debtor countries, which has meant that middle-income countries, in particular, have graduated from debt- reschedulings or are expected to do so in the near future, while agreements with the low-income countries are now generally made on a multi-year basis in the context of ESAF (Enhanced Structural Adjustment Facility) arrangements with the IMF, implying less frequent meetings. Even among the poorest countries, few have concluded exit agreements involving debt-stock reduction with Paris Club creditors. Among those that have done so are four heavily indebted poor countries (HIPCs) from sub-Saharan Africa, (Uganda, Mali, Burkina Faso and Benin; these agreements date from 1995 and 1996, before the adoption of the HIPC initiative.

53. Activity in the Paris Club in 1997 and early 1998 was marked by the Russian Federation's joining as a creditor country in September 1997, and by preparations for the implementation of the HIPC initiative. The Russian Federation's participation in future Paris Club debt-reschedulings will be of particular relevance to a number of sub-Saharan African countries which are heavily indebted to that country.

2. The HIPC initiative

54. UNCTAD has continued to monitor developments in the HIPC initiative, which should in time bring vital debt relief to countries in sub-Saharan Africa, although it appears that relatively few will receive benefits under the initiative during the current decade. Of the 41 countries on the original list of HIPCs, 33 are African. However, only about 20 of them may be considered as currently eligible under the scheme, implementation being linked to internationally agreed economic adjustment programmes, such as ESAF arrangements. Unless the scheme is extended beyond September 1998,[2] a number of African HIPCs (notably those still involved in or just emerging from civil strife) could be effectively excluded from benefits.

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[2] Under the original scheme endorsed in September 1996, HIPC support would remain available to countries embarking on programmes supported by the IMF or World Bank before 1 October 1998. A comprehensive review is to be held by then to decide whether to extend the initiative.

55. Reviews of progress made under the HIPC initiative so far have been rather mixed; while progress has been made in reviewing eligibility and having countries embark on the HIPC process, delivery of benefits promises to be rather slow. The HIPC initiative cannot be considered as having been successfully completed until the debt overhang of all the countries identified as HIPCs has been removed.

3. DMFAS

56. UNCTAD's Debt Management and Financial Analysis System (DMFAS) programme either has active projects or is currently pursuing contacts with the objective of installing DMFAS software in the following sub-Saharan African countries (country projects marked with an asterisk will be approved in 1998): Burkina Faso, Burundi, the Central African Republic, Chad,* Côte d'Ivoire,* Djibouti, Ethiopia, Guinea-Bissau, Mauritania, Rwanda, Sao Tome and Principe, Senegal, the Sudan,* Togo, Uganda, Zambia and Zimbabwe. Other countries in the region which have shown interest in the DMFAS programme include Angola, Eritrea, the Democratic Republic of the Congo, Guinea, Madagascar and South Africa. Of the 23 countries on this list, 19 are HIPCs. UNCTAD has sought to decentralize its DMFAS-related activities in Africa to the extent possible and useful, through adopting a regional approach and through support of regional institutions such as the Macroeconomic and Financial Management Institute (MEFMI) and the West African Institute for Financial and Economic Management (WAIFEM). The programme also envisages the strengthening of ties with the West African francophone region.

4. DMFAS and the HIPC initiative

57. Debt relief in the context of the HIPC initiative is based on a tripartite analysis by the IMF, World Bank and HIPC government of the "sustainability" of the HIPC's debt burden. Also, in order to qualify for relief, the HIPC has to demonstrate that it has a coherent debt strategy which involves reducing debt to all types of creditors, with equal burden-sharing, and an overall high level of debt management.

58. In that context, the HIPC Debt Strategy and Analysis Capacity-Building Programme, funded by Austria, Denmark, Sweden and Switzerland, has been launched in order to help countries to develop an independent capacity to formulate their own debt strategy and debt-sustainability analysis. The Programme is implemented by Debt Relief International Ltd., a private consultancy firm established in London. The DMFAS programme has begun to collaborate with this initiative, and attended the first meeting of the steering committee held in Vienna from 10 to 11 November 1997; it will attend the second meeting in Berne in June 1998.

59. Of the 41 HIPCs, more than 20 are receiving, or will receive, assistance from DMFAS through implementation of the software and related services. In the future, the DMFAS programme will therefore play a greater role in assisting these countries, as well as non-HIPCs, in debt analysis and strategic decision-making. This will include the introduction of new functions in the DMFAS software.

5. Official development assistance and resource flows

60. Debt relief for sub-Saharan Africa is all the more important as the supply of development finance on concessional terms is declining. Since 1992, the flow of official development assistance (ODA) to the developing countries as a whole has declined significantly in real terms, and disbursements have also started to decrease in nominal terms. The share of total ODA in the gross national product (GNP) of the donor countries which are members of the Development

Assistance Committee of the Organisation for Economic Co-operation and Development (OECD) declined further to 0.25 per cent in 1996, the lowest ratio recorded since the United Nations adopted in 1970 the overall ODA target of 0.7 per cent of donor countries' GNP. This share had already fallen to 0.27 per cent in 1995 from 0.33 per cent in 1992. These developments have sharply affected ODA flows to sub-Saharan Africa; such flows in 1996 fell to US$ 16.7 billion in nominal terms, down from US$ 18.5 billion in 1995 and the lowest figure of aid to Africa so far recorded in the 1990s.

61. Private resource flows from countries which are members of the OECD Development Assistance Committee to the region totalled US$ 3.5 billion on a net basis in 1996, of which US$ 2 billion was in the form of direct investment. The bulk of private flows continued to go to South Africa. Total net resource flows to sub-Saharan Africa amounted to US$ 20 billion in 1996 (US$ 21.1 billion in 1995), as estimated by the Committee. It is recalled that the Trade and Development Board, at its forty-fourth session, requested UNCTAD to continue to explore ways and means of increasing resources for development in Africa, in particular by analysing how ODA could be used as a catalyst to attract other types of flows. In response, a special chapter is under preparation for the *Least Developed Countries 1998 Report*, which will examine the role of official agencies in enhancing private investment flows as well as the scope for private participation in infrastructure projects in the LDCs. This work is likely to be of interest not only to the African LDCs, but also to other countries in the region which, like the LDCs, have not yet succeeded in attracting significant amounts of private capital for their development efforts.

D. International investment and enterprise development

62. UNCTAD was requested by the Board to seek ways and means to enhance foreign direct investment in Africa. UNCTAD data on inflows of foreign direct investment show a somewhat more significant contribution of foreign investment to resource flows to sub-Saharan Africa, US$ 3.3 billion in 1996, as well as a notable increase in such flows in 1994-96 in comparison with the previous three-year period. Still, investment opportunities in sub-Saharan Africa are largely unexploited and there is scope for a much larger contribution of private finance to Africa's development than has so far been the case. The secretariat has stepped up its efforts on investment-related issues through studies and assistance to African countries.

63. UNCTAD has published the *World Investment Directory 1996: Volume V - Africa*, which is a source book on foreign direct investment in Africa for international investors and national and intergovernmental policy makers as well as researchers in academia. It contains 53 country profiles presenting data and information in a common format.

64. The *World Investment Report 1997: Transnational Corporations, Market Structure and Competition Policy* (Sales No. E.97.II.D.10) contains a special section on foreign direct investment in Africa, including a detailed analysis of the role of South Africa and of South African transnational corporations in the regional integration process of southern Africa.

65. The first of a series of regional symposia organized by UNCTAD on "International investment arrangements: the development dimension" was held from 19 to 20 June 1997 in Fès, Morocco. The symposium helped to familiarize government officials from African countries with existing investment arrangements, especially with the lessons to be drawn from a development

perspective, and contributed to better understanding and consensus-building in this area.

66. In the UNDP-financed joint UNCTAD/World Bank interregional project on the "Expansion of foreign direct investment and trade in services", two country studies were prepared, for Uganda and Tunisia. The study on Uganda, entitled "Strengthening the service infrastructure: Uganda", looked at the country's services infrastructure for the development of industrial and commercial projects, and the services infrastructure for the export/import process, and made recommendations for improving the efficiency of the services infrastructure through the liberalization of access for foreign services providers. The study on Tunisia, which will be published in May 1998, looks at the telecommunications and maritime transport sectors of that country.

67. At the request of the secretariat of the African, Caribbean and Pacific Group of States (ACP), UNCTAD has prepared a paper entitled "Foreign direct investment in ACP countries". This paper, which was one of the background documents for the first summit of ACP Heads of State and Government, held in Libreville from 6 to 7 November 1997, focused on the ways and means of enabling ACP countries to attract foreign investment and technology. It also indicated measures that could be taken by other countries, particularly those of the European Union, to assist in improving the technological infrastructure and skill base in ACP countries, particularly in African countries.

68. Case studies on Morocco and Zimbabwe were included among a number of other case studies for the interregional project on "Transnational corporations and industrial restructuring in developing countries". The report on the project is expected to be completed in June 1998.

69. A paper on "Investment policies in Africa and how investment issues are dealt with in international agreements" was prepared and presented at an ad hoc expert meeting on "Appropriate follow-up mechanisms to the first WTO ministerial conference and modalities to facilitate Africa's effective participation in the second WTO ministerial conference", organized by the Economic Commission for Africa in collaboration with UNCTAD and WTO as part of the "Addis Forum on Investment in Africa" held on 8 and 9 March 1998 in Ethiopia.

70. A paper on "Asian foreign direct investment in Africa" was presented at the UNCTAD First Subregional Workshop on Asia-Africa Trade and Investment Diversification and Networking, held from 24 to 28 November 1997 in Harare.

71. A fact sheet on foreign direct investment in Africa is being prepared following the request made by the Commission on Investment, Technology and Related Financial Issues at its session held between 29 September and 3 October 1997.

72. Within the framework of the UNCTAD Integrated Country Programme for the Gambia, an investment policy and recommendations for the investment code were drawn up, and an analysis of the activities of the Indigenous Business Advisory Service undertaken. A project is now under way to restructure the Service and make it into an autonomous institution.

73. In Eritrea, assistance was provided to the Department of Mines in establishing a registration system for mining licences and royalties.

74. An investment policy review is being undertaken in Uganda. In addition, advice was given to the Investment Authority of Uganda on the draft of the new investment code. A joint project with UNIDO was implemented to undertake a pre-feasibility study for an industrial estate/export processing zone.

75. A comprehensive investment, science and technology policy review has been initiated in Ethiopia in order to make the country's economic and scientific base more competitive.

76. Advice on common investment legislation was given to the West African subregional organization UEMOA.

77. The implementation regulations for the new investment legislation in Sao Tome and Principe were finalized. Advice was given to the Government on its negotiations with a foreign investor for a free economic zone.

78. In Egypt, an investment policy review is being undertaken in close cooperation with the private sector.

79. Within the context of a regional project for the Arab States on the harmonization of investment legislation, studies on the present investment legislation were undertaken in Morocco and Egypt.

80. With the assistance of UNCTAD and other multilateral organizations such as UNDP, UNIDO and the Multilateral Investment Guarantee Agency (MIGA), investment promotion agencies from Africa are enabled to actively participate in the work of the World Association of Investment Promotion Agencies (WAIPA).

81. The Entrepreneurship Development Programme (EMPRETEC), a capacity-building programme to foster the growth and competitiveness of small and medium-sized enterprises in developing countries, is operational in Ethiopia, Ghana, Nigeria and Zimbabwe. New projects are being initiated in Egypt and Morocco. Projects for Namibia and other sub-Saharan countries in Africa are being initiated in 1998 in the framework of the UNDP Enterprise Africa Programme.

82. Centres for Innovation and Enterprise Development are centres designed to promote a process of problem-solving innovation in African manufacturing firms by helping them to define their problems and mobilize the necessary resources for resolving those problems. The programme is in a pilot phase in Côte d'Ivoire, Ghana, the United Republic of Tanzania and Zimbabwe.

83. Mediterranean 2000 is a four-year capacity-building programme to stimulate the growth and competitiveness of small and medium-sized enterprises in 10 developing countries of the Mediterranean Basin and Horn of Africa. The programme is being extended to the following African countries: Egypt, Eritrea, Ethiopia, Morocco, Tunisia and Uganda.

84. A project on "Enhancing the participation of women entrepreneurs in LDCs' economies" is to assess the impact of policies on promoting entrepreneurship among women and to identify those measures adopted at international conferences which have not been implemented but which need to be in place for women to become and remain entrepreneurs in the formal sector. The African LDCs selected for the project are Burkina Faso, Ethiopia, the Gambia, Madagascar, the United Republic of Tanzania and Zambia.

85. A project on "Growing small and micro enterprises in LDCs" is to contribute to the development of national production capacity by stimulating the "missing middle" in the enterprise sector, by proposing practical policies and measures

for enterprise development which promote the growth of small and micro enterprises and increase their links with the formal sector. The project includes Burkina Faso and Zambia.

86. The project on "Networking through trade and direct investment in commodities and other products" brings together Asian and African entrepreneurs in a series of workshops in Asia and Africa to explore possible business links. A two-week study tour to Jakarta and Bangkok was held in December 1996 for 25 African entrepreneurs from 13 sub-Saharan countries to discuss possible trade and investment links with some 200 Indonesian and Thai enterprises. A five-day Asian-African trade-and-investment networking workshop was held in Harare in November 1997, with the participation of some 60 African entrepreneurs from 12 sub-Saharan countries and six business people from Indonesia, Malaysia and Thailand.

87. UNCTAD is organizing a workshop to be held in Dubai to discuss selected issues crucial for the successful participation in international trade of Somali business people and traders and to examine possible technical assistance to strengthen and promote private-sector development, including participation in trade, in Somalia.

88. UNCTAD will participate in the ITC African Leather Trade and Industry Assembly and will organize a seminar on the role of support structures in promoting the development of small and medium-sized enterprises. In particular, UNCTAD will assist in the formation of a regional business association.

89. As the accounting needs of small and medium-sized enterprises are thought to be different from those of transnational corporations, a project has been designed to identify the financial information that such enterprises need to provide to external users such as banks, investors, potential partners and tax collectors. Morocco, Botswana, the Sudan, the Democratic Republic of the Congo and the Cameroon are participating in this project.

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Eighteenth executive session
Geneva, 10 July 1998

SYNOPTIC RECORD OF THE PROCEEDINGS OF THE TRADE AND DEVELOPMENT BOARD AT ITS EIGHTEENTH EXECUTIVE SESSION
(10 July 1998)

Prepared by the UNCTAD secretariat */

Item 1: Adoption of the agenda

1. The Board adopted the provisional agenda for its eighteenth executive session (TD/B/EX(18)/1 and Corr.1). (For the agenda as adopted, see annex II.)

Item 2: Mid-term review

2. The Board approved and adopted the outcome of the mid-term review (see annex I). In so doing, it requested member States, the UNCTAD secretariat and relevant organizations to fully implement the recommendations therein, and it requested the Secretary-General of UNCTAD to proceed immediately with the implementation of these recommendations, to provide regular progress reports at the monthly consultations and to transmit the outcome to the High-level Mid-term Review Meeting at the forty-fifth session of the Trade and Development Board.

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*/ Pending the distribution of the final report of the Trade and Development Board on its eighteenth executive session (to be issued in TD/B/EX(18)/4), the secretariat is circulating this synoptic record of the eighteenth executive session for the information of delegations and other users. The final report will contain the summaries of statements made on the various items.

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Item 3: UNCTAD's contribution to the UN-NADAF: UNCTAD's activities in favour of Africa (agreed conclusions 443 (XLIV))

3. The Board took note of the statements made under item 3.

Item 4: Institutional, organizational, administrative and related matters

(a) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board

4. The Board decided that the African Export Import Bank should be designated under rule 76 of the rules of procedure so that it could participate in the deliberations of the Conference, the Board and its subsidiary organs.

(b) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

5. The Board decided that the Transnational Institute (TNI) should be given consultative status and that it be classified in the general category.

6. The Board was also informed that, in conformity with the provisions of Board decision 43 (VII), sections III and IV, and after consultation with the Government concerned (the Russian Federation), the Secretary-General had decided to enter the Association of Financial and Industrial Groups of Russia in the register of national non-governmental organizations.

(c) Designation of the President of the Bureau of the forty-fifth session of the Trade and Development Board

7. Mr. Chak Mun See (Singapore) was nominated for the post of President of the Board at its forty-fifth session.

Item 5: Report by the President of the Trade and Development Board on his informal consultations on: (a) Guidelines and modalities for funds from savings resulting from improved overall cost-effectiveness for financing of exports; (b) operational modalities of the Trust Fund to enhance participation of developing countries' experts in UNCTAD meetings

8. The Board decided to extend the mandate of the President of the Board to continue his consultations and to report on the two issues involved at a future monthly consultation of the President.

Item 6: Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirty-first session

9. The Board took note of the report of the Joint Advisory Group on its thirty-first session (ITC/AG(XXXI)/171).

Item 7: Other business

10. The Board noted that the thirty-second session of the Working Party on the Medium-term Plan and the Programme Budget, originally scheduled for 7-9 September 1998, would now be held on 21-23 September 1998.

Item 8: Report of the Board on its eighteenth session

11. The Board authorized the Rapporteur to complete the report on its eighteenth session under the authority of the President.

Annex I

OUTCOME OF THE MID-TERM REVIEW

INTRODUCTION

1. The reform project embodied in the Midrand outcome was a turning point in the history of UNCTAD. The Conference decreed the streamlining of the intergovernmental machinery of the organization, of its work programme, and of the structure of the secretariat. It also decided to improve UNCTAD's working methods and - most importantly - to adopt a different approach to the work, one based on dialogue and consensus-building and on practical objectives.

2. These goals have in effect been the guiding force of the organization since the Conference. A genuine effort - by both member States and the secretariat - has been made to attain them, and to a significant extent they have succeeded. But this major reform effort has, inevitably, encountered some difficulties, such as skill mismatches, compounded by the financial crisis of the United Nations. In the context of the mandates agreed upon at Midrand and subsequently endorsed by the General Assembly, which are not to be reopened, the Mid-term Review takes stock of the road already travelled, including its obstacles and pitfalls; considers what is yet to be done in the coming two years to fulfil these mandates; and makes recommendations on how to strengthen implementation.

3. The decisive test in the period up to the next Conference will be how well UNCTAD matches its description as the focal point within the United Nations system for the integrated treatment of development and interrelated issues in the areas of trade, finance, technology, investment and sustainable development. UNCTAD is also the focal point for LDCs for the United Nations system, and another test will be how effectively it delivers assistance to those countries. The key will be "integration": of programme elements (for example, FDI should be seen not in isolation but as a way of building supply networks of SMEs, strengthening the enterprise sector in recipient countries, bringing innovation, improving export competitiveness, etc); among UNCTAD's Divisions and Branches in coping with cross-sectoral issues and between the secretariat and member States; and among relevant economic multilateral institutions and regional commissions in terms of the common or complementary points in their work programmes and in the implementation of integrated country programmes.

4. Capacity-building is the expression that better defines this approach - capacity to implement the appropriate policies at the country level but also the capacity to formulate and apply negotiating positions on trade, investment and the other central issues that shape the globalization process and which will consequently affect the external economic environment for development.

STOCKTAKING

5. UNCTAD's work since Midrand - both in the secretariat and at the intergovernmental level - has basically proceeded along the lines mandated by the Conference. Intergovernmental consensus-building, policy research and analysis, and technical cooperation have on the whole addressed the goal of assisting developing countries and economies in transition to promote their development and participate more effectively in the world economy under conditions conducive to their development.

6. Valuable analysis for policy-making has in particular been provided by work on interdependence and global economic issues; on development challenges facing LDCs and African countries; on foreign direct investment issues; on a positive agenda for developing countries in trade negotiations and the opportunities available in trade in services; on commodity diversification and risk management; and on electronic commerce. In this connection, the importance and usefulness of the flagship reports, namely the *Trade and Development Report*, the *World Investment Report* and the *Least Developed Countries Report*, have been recognized.

7. Applied work has been particularly valuable in the fields of debt management; investment promotion; capacity-building for entrepreneurship; accession to WTO; capacity-building in the trade field; commodity risk management; modernization of customs, cargo tracking and trade facilitation; transport and transit arrangements; and the setting-up of integrated country programmes for LDCs. Intensive work has been undertaken as far as accounting and reporting standards, and competition law and policy are concerned. The functioning of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting and the Intergovernmental Group of Experts on Competition Law and Policy is to be reviewed.

8. Databases in the field of trade in goods and services (Trade Analysis and Information System (TRAINS) and Measures Affecting Service Trade (MAST)) have been further developed and refined as analytical tools.

9. In the field of institutional reform, the Board adopted guidelines on the efficiency and functioning of the UNCTAD intergovernmental machinery which *inter alia* stress the importance of integrating the outcomes of expert meetings into the policy work of the Commissions.

10. Work has taken place within the framework of a participatory approach that emphasized the need for UNCTAD to incorporate civil society into its work; to liaise closely with other international organizations; and to integrate research and policy analysis and technical cooperation work.

11. However, several organizational factors have been identified in connection with which further efforts are necessary to strengthen the role and impact of the organization. Given the growing gap between the level of requirements and the level of resources available and their quality (skills and expertise of staff), there is a need for more flexible allocation of resources and a better matching between skills and priority areas. The problem is exacerbated by systemic rigidities and in particular the slow pace at which vacancies are filled.

12. The linkages between analytical and technical cooperation activities have not been fully developed. Cross-sectoral issues have not benefited from sufficiently integrated treatment within the intergovernmental machinery, nor have they been dealt with as effectively as possible within the secretariat, and this situation has particularly affected the treatment of LDC-related issues. The impact of the activities and work of UNCTAD needs to be better measured.

13. The recruitment difficulties faced by UNCTAD in the last two years have especially affected the Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries. The Office has suffered from the delay in appointing a Special Coordinator and in filling the other vacant posts, and this has negatively affected the direction of UNCTAD'S work on LDCs. High-quality appointments need to be made as a matter of urgency.

14. The Secretary-General of the United Nations has endorsed the agreement reached regarding the division of labour between UNCTAD and the Department of Economic and Social Affairs (DESA) on strengthening United Nations work in macroeconomic analysis. UNCTAD's present capacity to carry out analysis of international macroeconomic issues, particularly the impact of globalization and liberalization on trade and development, may therefore not be fully adequate in this new context.

15. While UNCTAD's work on Africa has increased in recent years and the Board's discussions of both substantive issues affecting Africa and UNCTAD activities in the context of the United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF) and the United Nations System-wide Special Initiative on Africa have generally proved satisfactory, further improvements could still be made. Support in terms of analytical inputs and human resources is still not sufficient, and internal coordination could be improved.

16. In work on globalization and development strategies, there is scope for improving the balance in the activities undertaken, since not all regions have been fully covered from year to year, and dissemination of analytical outputs needs to be improved; not enough has been done on how developing countries could pace and sequence liberalization. Funding of activities on debt management has not been secure enough, and activities relating to assistance to the Palestinian people now need to aim at having a direct beneficial economic impact. In work on investment, technology and enterprise development, priorities and targets could be defined more clearly. In work on trade, there has not been a clear enough division of labour between subprogrammes in respect of electronic commerce and commercial diplomacy. In work on services infrastructure for development and trade efficiency, there is a need for greater emphasis on creating a better understanding of the economic impact of electronic commerce and its emerging global framework. In work on least developed, landlocked and island developing countries, not enough emphasis has been placed on the follow-up to the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, and participation of LDCs in UNCTAD meetings has been inadequate.

RECOMMENDATIONS

General

17. The unique contribution of UNCTAD has to be made through its analytical function and by linking *research* and *action*, *analysis* and *policies*. UNCTAD's programmes should be evaluated with this linkage in mind. Links should be reflected both in the consensus-building process in the intergovernmental machinery and in UNCTAD's operational activities and through enhanced partnerships with civil society. Feedback from member States through adequate monitoring of implementation will be indispensable.

18. The partnerships for development envisaged by the Midrand Declaration should be the hallmark of UNCTAD. These will require further changes in the way business is conducted. UNCTAD should strengthen its links with civil society, in particular the private sector, and international organizations. Links with the private sector should be aimed at tapping its innovative capacity, engaging in joint activities and supplementing funding, and in this connection clear guidelines should be adopted for private-sector funding. Links with other international organizations, including regional commissions, which represent an equally valuable source of ideas, should be aimed at increasing synergies and avoiding duplication. Constructive ideas must be developed about how to improve the dissemination of policy advice, including through modern electronic means, to make sure it reaches the end-users in a user-friendly form (best practices, handbooks, model laws and/or contracts).

19. While recognizing the need to adjust priorities in the light of changes in the world economy, the scope and contents of the work programme of the secretariat should be commensurate with approved mandates, taking resource constraints into account.

20. Work on cross-sectoral issues must be better integrated into the work of the intergovernmental machinery, and the Board should in particular ensure that the cross-sectoral issues referred to in paragraph 106 of "A Partnership for Growth and Development" are integrated into the work of the Commissions.

21. UNCTAD's analytical and technical cooperation activities should be better coordinated, and the secretariat should put in place appropriate mechanisms for this purpose. The strategy for the coherence of regular budget and extrabudgetary programmes that seeks to strengthen these linkages should be further pursued and should be linked to the outcomes of expert meetings, the Commissions, the Working Party and the Trade and Development Board.

22. UNCTAD's management should deploy every effort to proceed speedily with recruitment and appointments so as to reduce the current excessive vacancy rate. It should also seek to reduce costs within the framework of system-wide efforts to improve efficiency. Staff training should be stepped up with a view to addressing skill mismatches and creating a flexible workforce able to adjust to changing requirements.

23. Taking into account current discussions in the United Nations system on results-based budgeting and performance indicators, the UNCTAD secretariat should integrate further in its work the use of performance indicators. In accordance with commonly accepted national and international criteria, these indicators should be relevant, simple and measurable, and due account should be taken of the difficulties involved in measuring the impact of analytical work.

24. Focusing on results rather than inputs, the secretariat should examine and propose to the Board ideas for suitable feedback mechanisms to measure the impact of UNCTAD's activities. These proposals should be made available to the Board as soon as possible, and the Working Party should be involved at a later stage.

25. Cost recovery should be examined for certain technical cooperation programmes involving updating, maintenance and continuing servicing, account being taken of the situation of LDCs and low-income countries.

Specific

26. As UNCTAD is the focal point within the United Nations system for assistance to the least developed, landlocked and island developing countries, the work of the Office of the Special Coordinator should be strengthened. This could be achieved in part by filling current vacant posts as a matter of urgency. It is important that the Office coordinate the sectoral work, monitor the implementation of the Paris Programme of Action and initiate the preparatory process for the Third United Nations Conference on LDCs in close consultation and collaboration with the relevant agencies and institutions and civil society. LDC issues should be fully integrated into the work of the intergovernmental machinery at all levels. The lack of effective participation of LDCs in UNCTAD meetings should be addressed by the Board.

27. In view of its great importance to least developed countries, it is essential that decision 445 (EX-16) of the Trade and Development Board on the follow-up to the High-level Meeting on Integrated Initiatives for LDCs' Trade Development be implemented in full. Ownership of beneficiary countries should be assured. LDCs should be assisted in preparations for, and follow-up to, country-specific round tables. Cooperation, coordination and coherence of all the cooperating agencies' efforts remain the hallmark for achieving success.

28. Greater emphasis should be placed on cooperation with other agencies in the implementation of the Barbados Programme of Action for the Sustainable Development of Small Island Developing States. Work relating to development problems specific to landlocked and transit countries should be strengthened and proceed in consultation with all parties concerned.

29. Close cooperation and coordination must play a primordial role if the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme in Selected Least Developed and Other African Countries, which, for the LDCs involved, represents a concrete step in implementing the integrated framework stemming from the High-level Meeting, is to meet its objectives. The secretariat coordination and focal point mechanism for activities relating to Africa should be strengthened.

30. Work on globalization and development strategies should have broader regional coverage, dissemination should be improved and more should be done on the pace and sequencing of domestic liberalization policies.

31. In debt management, more work should be done on the training of national staff and on domestic debt management. Work on debt problems of indebted countries, taking account of the results of debt negotiations in various forums, including private sector forums, should be pursued within UNCTAD's mandate.

32. UNCTAD should analyse the impact of the European Monetary Union (EMU) and the euro on developing countries, taking into account global analysis carried out in the relevant international organizations. Work on portfolio investment might best be carried out under the programme on investment, and advantage should be taken to the greatest possible extent of work being done by regional development banks and United Nations regional institutions.

33. In the programme on assistance to the Palestinian people, interagency coordination should be improved and a greater field presence should be considered.

34. UNCTAD's work in identifying and analysing the implications for development of issues relevant to a possible multilateral framework for investment addresses a prominent issue on the international agenda. UNCTAD should continue this timely work, which should be primarily analytical and include consideration of development-friendly elements. It should also pursue work to assist developing countries to strengthen their capacity to promote their trade and development through foreign investment. Further research should be undertaken into the factors which play a part in private sector firms' choices of investment locations. UNCTAD should continue its analysis on the current development of transnational corporations and help developing countries to improve the general understanding of issues related to transnational corporations and their contribution to development, as well as on policies allowing developing countries to benefit from TNC operations. More attention should be paid to promoting investment among developing countries. The integrated approach to investment and technology through the science, technology and innovation policy (STIP) reviews and investment policy reviews (IPRs) should be further pursued. Country-specific approaches to supporting national institutions and capacity-building should be preferred. Action should be taken to promote the continued expansion of the EMPRETEC programme, endeavouring to promote a regional balance.

35. In work on trade, further emphasis should be placed on capacity-building. Secretariat efforts to assist developing countries and economies in transition to participate effectively in international trade negotiations and in acceding to WTO should continue, including through the elaboration of a positive agenda, on which member States should be kept informed, and should receive appropriate funding from regular budget and extrabudgetary sources. Analytical work on the impact of trade preferences on the trade and development of developing countries should be strengthened, with special reference to identifying policy solutions in response to the decline in preferential margins and maximizing the utilization of preference schemes. In particular, it should identify ways to improve market access for developing country exports, including in new areas. The implementation of the special and differential provisions in favour of developing countries provided by the Uruguay Round Agreements should be analysed, bearing in mind the work being done in this area by WTO. Training in commercial diplomacy must be so designed as to ensure that UNCTAD's role is directed towards strengthening the analytical capacity of developing country officials in international negotiations. Work on commercial diplomacy courses should have a clear strategy and be sufficiently funded, and it

should be developed in conjunction with the Training Development in the field of Foreign Trade (TRAINFORTRADE) programme. The role of different subprogrammes in respect of commercial diplomacy and electronic commerce should be clarified. As a contribution to the discussion on issues on the international trade agenda, UNCTAD should continue to pursue its activities in the fields of competition law and policy; trade, environment and development; and services, including the use of the MAST database. Given the continuing dependence of a number of developing countries on primary commodities, work on diversification and risk management should be strengthened.

36. The sustainability of the Trade Point programme and Trade Points should be enhanced, particularly in respect of training, operability and interoperability, as may be recognized at the forthcoming evaluation of the programme. The concept of support services for the Automated System for Customs Data (ASYCUDA) should be developed, and measures to ensure its overall sustainability, as well as that of all other trade facilitation programmes, should be explored. The future activities of TRAINFORTRADE should be spelt out more clearly, taking into account the recommendations adopted by the Working Party on the Medium-term Plan and the Programme Budget following the evaluation of the programme and lessons learnt from the regional pilot projects. The Lyon Partners for Development meeting should be integrated into the work of UNCTAD through follow-up to private-sector/UNCTAD activities launched at the meeting. The analysis of global electronic commerce in terms of its impact on development should be an area of focus. In cooperation with relevant organizations, in particular WTO, ITU, WIPO and UNCITRAL, assistance should be provided to developing countries to prepare for possible multilateral discussions on electronic commerce.

37. The secretariat should produce an annual report on UNCTAD's activities in order to achieve greater transparency, to provide member States with a comprehensive overview and to permit a better assessment of UNCTAD's work and achievements. The Secretary-General may wish to take into account any views conveyed by member States as to the basic content of the report.

38. Expanded use of all aspects of information technology in UNCTAD's work should be sought. To that end, each Division should develop a plan to integrate information technology fully into its work.

894th plenary meeting
10 July 1998

Annex II

AGENDA FOR THE EIGHTEENTH EXECUTIVE SESSION OF THE BOARD

1. Adoption of the agenda

2. Mid-term review

3. UNCTAD's contribution to the UN-NADAF: UNCTAD's activities in favour of Africa (agreed conclusions 443 (XLIV))

4. Institutional, organizational, administrative and related matters:

   (a) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board

   (b) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

   (c) Designation of the President and Bureau of the forty-fifth session of the Trade and Development Board

5. Report by the President of the Trade and Development Board on his informal consultations on:

   (a) Guidelines and modalities for funds from savings resulting from improved overall cost-effectiveness for financing of experts

   (b) Operational modalities of the Trust Fund to enhance participation of developing countries' experts in UNCTAD meetings

6. Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirty-first session

7. Other business

8. Report of the Board on its eighteenth session